

AUDIT AND RISK COMMITTEE CHARTER

Enero Group Limited ABN 97 091 524 515

1 Introduction

This Charter sets out the role, responsibilities, powers and operation of the Audit and Risk Committee of Enero Group Limited (Company). This Charter is to be applied in conjunction with the Company's Constitution.

2 Constitution

The Audit Committee has been established by resolution of the Board.

3 Composition of the Committee

3.1 Membership

The Audit Committee will consist of not less than three members. Members will be appointed by the Board from amongst the non-executive Directors, a majority of whom will also be independent. In addition, the Audit and Risk Committee will comprise:

- members who can all read and understand financial statements and are otherwise financially literate;
- at least one member with financial expertise either as a qualified accountant or other financial professional with experience in financial and accounting matters; and
- at least one member who has an understanding of the industry in which the Company operates.

3.2 Chairman

The Audit and Risk Committee will appoint an independent Director, other than the Chairman of the Board, to be the Chairman of the Committee.

3.3 Secretary

The Company Secretary will be the Secretary of the Audit and Risk Committee.

3.4 Other Attendees

The CEO and CFO as well as other members of senior management may be invited to be present for all or part of the meetings of the Audit and Risk Committee, but will not be members of the Committee.

Representatives of the external auditor is expected to attend each meeting of the Audit and Risk Committee and at least once a year the Committee shall meet with the external auditors and separately without any management staff or executives present.

4 Meetings

4.1 Quorum

A quorum will be two members.

4.2 Frequency

Audit and Risk Committee meetings will be held not less than two times a year so as to enable the Committee to undertake its role effectively. In addition, the Chairman is required to call a meeting of the Audit and Risk Committee if requested to do so by any member of the Audit Committee, the CEO or the external auditor.

5 Authority

The Audit and Risk Committee is authorised by the Board to investigate any activity in accordance with its general policy. The Audit and Risk Committee will have access to management and auditors with or without management present and has rights to seek explanations and additional information. It is authorised to seek any information it requires from any employees and all employees are directed to cooperate with any request made by the Audit and Risk Committee.

The Audit and Risk Committee is authorised by the Board to obtain outside legal or other independent professional advice and to secure the attendance of outsiders with relevant experience and expertise if it considers this necessary.

The Audit and Risk Committee is required to make recommendations to the Board on all matters within the Audit and Risk Committee's charter.

6 Reporting Procedures

The Audit and Risk Committee will keep minutes of its meetings. The Secretary shall circulate the minutes of the meetings of the Committee to all members of the Committee for comment and change before being signed by the Chairman of the Audit and Risk Committee and circulated to the Committee with the Committee papers for the next Committee meeting.

Any findings from the Audit and Risk Committee are to be tabled at the next Board meeting along with any recommendations of the Committee.

7 Responsibilities of the Audit and Risk Committee

The Audit Committee is responsible for reviewing the integrity of the Company's financial reporting, overseeing the independence of the external auditors and overseeing the Company's risk management framework. In particular, the Audit Committee has the following duties:

7.1 Accounting Practices and External Reporting

7.1.1 Financial Statements

To review the audited annual and half-yearly financial statements and any reports which accompany published financial statements before submission to the Board, recommending their approval, focusing particularly on:

- any changes in accounting policies and practices;
- major judgmental areas;
- significant adjustments, accounting and financial reporting issues resulting from the internal and external audit;
- compliance with accounting policies and standards; and
- compliance with legal and disclosure requirements.

7.1.2 Related Party Transactions

To monitor and review the propriety of any related party transactions.

7.1.3 External Audit Function

- To recommend to the Board the appointment of the external auditor.
- Each year, to review the appointment of the external auditor, their independence, the audit fee, and any questions of resignation or dismissal.
- To discuss with the external auditor and before the audit commences the nature and scope of the audit.
- To meet privately with the external auditor on at least an annual basis.
- To determine that no management restrictions are being placed upon external auditor.
- To discuss problems and reservations arising from the interim and final audits, and any matters the auditors may wish to discuss (in the absence of management where necessary).
- To review the external auditor's management letter and management's response.
- To review any regulatory reports on the Company's operations and management's response.
- Communication.
- Providing, through regular meetings, a forum for communication between the Board, senior financial management, staff involved in internal control procedures and the external auditors.
- Enhancing the credibility and objectivity of financial reports with other interested parties, including creditors, key stakeholders and the general public.
- Establishing procedures for complaints and reports regarding accounting, internal accounting controls and auditing matters and ensuring a mechanism for the confidential treatment of such complaints and reports

including the ability to submit them anonymously.

7.1.4 Assessment of effectiveness

To evaluate the adequacy and effectiveness of the Company's administrative, operating and accounting policies through active communication with operating management, the finance departments and the external auditors.

7.2 Oversight of the Risk Management System

- To oversee the establishment and implementation by management of a system for identifying, assessing, monitoring and managing material risk throughout the company. This system will include the Company's internal compliance and control systems.
- To review at least annually, through an annual risk review, the Company's risk management systems to ensure the exposure to the various categories of risk are minimised prior to endorsement by the board.
- To evaluate the Company's exposure to fraud.
- To take an active interest in ethical considerations regarding the Company's policies and practices.
- To monitor the standard of corporate conduct in areas such as arms-length dealings and likely conflicts of interest.
- To identify and direct any special projects or investigations deemed necessary.
- To ensure the appropriate engagement, employment and deployment of all employees under statutory obligations.
- To ensure a safe working culture is sustained in the workforce.
- To determine the Company's risk profile describing the material risks, including both financial and non-financial matters, facing the company.
- To regularly review and update the risk profile.

8 Review

The Board will, at least once in each year, review the membership and charter of the Committee to determine their adequacy for current circumstances and the Committee may make recommendations to the Board in relation to the Committee's membership responsibilities, functions and otherwise.